

Hall - Statement

Page 25

1 would offer that, and it is relevant because it supports the
2 other testimony in the case that I was about to talk about,
3 Your Honor. That there were no expenses associated with this
4 income.

5 THE COURT: Okay. There were no expenses associated
6 with this income or any -- anything else.

7 MR. HALL: Correct.

8 THE COURT: Yeah, all right. Well it didn't -- I
9 don't see why they seem to be concerned about whether this was
10 a consulting fee or a severance pay. I don't think that makes
11 any difference for this charge.

12 MR. HALL: A --

13 THE COURT: I mean it might be part of the evidence if
14 you --

15 MR. HALL: Your Honor, I don't think it does either.

16 THE COURT: Yeah. Yeah, okay. Now --

17 MR. HALL: I think the evidence --

18 THE COURT: -- so that gets us --

19 MR. HALL: -- that I just enumerated is relevant
20 though, Your Honor, for the reason I stated. And -- and this
21 is nothing new, this is in the Government's papers.

22 THE COURT: Well I don't know what evidence you're
23 talking about now.

24 MR. HALL: The four witnesses that I just referred
25 to, Your Honor.

Hall - Statement

Page 26

1 THE COURT: Okay. All right. Well they --

2 MR. HALL: They -- the -- the --

3 THE COURT: -- they would so testify if -- if you went
4 to trial. And we'd make a decision then as to whether it was
5 relevant or not. It might be for trial, but not for this. So
6 the gravamen of this offense is that there were \$229,000 of
7 expenses set forth in the tax return --

8 MR. HALL: Yes, Your Honor.

9 THE COURT: -- which were not real or --

10 MR. HALL: That's correct.

11 THE COURT: -- a substantial portion of which were not
12 real.

13 MR. HALL: And the Government would establish that,
14 Your Honor, --

15 THE COURT: Right.

16 MR. HALL: -- by calling Ms. Calvert's former husband,
17 Wayne Calvert, and he would testify that they discussed the tax
18 return sometimes on the phone and in person, that they
19 discussed a plan to artificially inflate the expenses
20 associated with his business to offset the -- the income from
21 this consulting or severance agreement, and that those expenses
22 were inflated -- or those expenses totalled \$229,154. And that
23 was an overstatement by approximately \$179,545. And that's a
24 summary of what the Government would offer, Your Honor.

25 THE COURT: All right. And that they discussed this.

Hall - Statement

Page 27

1 He apparently signed the return, not she.

2 MR. HALL: Correct.

3 THE COURT: But she aided in -- in a return, and the
4 two of them discussed it together and agreed upon these
5 numbers.

6 MR. HALL: That --

7 THE COURT: That's your contention?

8 MR. HALL: -- that is what his testimony would be,
9 Your Honor.

10 THE COURT: Yeah, all right. Now do you agree that
11 those facts are essentially correct?

12 MS. CALVERT: No, sir.

13 THE COURT: Okay. Well you tell me then what -- I
14 mean we have to determine here whether --

15 MS. CALVERT: I'm sorry. Yes.

16 MR. SANTAGUIDA: You knew what he was doing?

17 MS. CALVERT: I knew his aim --

18 MR. SANTAGUIDA: Okay.

19 MS. CALVERT: -- was to reduce our tax liability to
20 the greatest extent he could. He has a tax program called
21 Turbo Tax, and he sat at home all day playing with it. I
22 didn't see the return before he sent it in. If I had, surely
23 it wouldn't have been submitted and said that we had employee
24 -- all sorts of income tax.

25 THE COURT: Uh-huh.

Calvert - The Court

Page 28

1 MS. CALVERT: But yeah, it's ultimately my income and
2 my responsibility. I should have knew better, so I take full
3 responsibility.

4 THE COURT: Okay. Well what they're saying here, the
5 word here is you did this willfully. So that means that you
6 knew and agreed to the fact that he would put in these business
7 expenses when you knew that they were not legitimate, that they
8 were much higher than the actual expenses that he had in
9 connection with his business. And that they were false.

10 MS. CALVERT: Yes.

11 THE COURT: Do you agree with that?

12 MS. CALVERT: Yes.

13 THE COURT: All right. All right, Mr. Santaguida, do
14 you have anything further?

15 MR. SANTAGUIDA: No, Your Honor.

16 THE COURT: Mr. Hall?

17 MR. HALL: No, Your Honor.

18 MR. SANTAGUIDA: Judge, can I have one moment just
19 so she --

20 THE COURT: Uh-huh. Sure.

21 MR. SANTAGUIDA: -- feels satisfied?

22 (Counsel confers with defendant)

23 MR. SANTAGUIDA: She didn't go over each item, but
24 she knew that when he said we're paying \$26,000 in taxes that
25 something was wrong because she should have paid a hundred and

Calvert - The Court

Page 29

1 something -- or 79,000 in taxes.

2 MS. CALVERT: I -- yeah.

3 MR. SANTAGUIDA: All right, good.

4 THE COURT: Yeah. All right? Is that -- is that
5 correct?

6 MS. CALVERT: Yes.

7 THE COURT: All right. So you knew that he was
8 putting in some false numbers. You just say you didn't know
9 the specifics of it?

10 MS. CALVERT: I knew he was -- he was -- he was --

11 MR. SANTAGUIDA: Fudging?

12 MS. CALVERT: -- maximizing what he was doing with
13 this Turbo Tax thing.

14 THE COURT: Uh-huh.

15 MS. CALVERT: He explained the whole thing, the ranges
16 to me, and all that kind of stuff. Yes, sir.

17 THE COURT: Okay. Well whatever Turbo Tax is, --

18 MS. CALVERT: I --

19 THE COURT: -- that's really not the question because
20 that suggests that you thought that there was some program that
21 justified these expenses. It has to -- if you are pleading
22 guilty, that means that you knew these numbers were false.

23 MS. CALVERT: Your Honor, I -- I -- my education from
24 an accountant aspect knew that they --

25 THE COURT: Oh, you're an accountant?

Calvert - The Court

Page 30

1 MS. CALVERT: I'm not -- never practiced accounting,
2 but I --

3 THE COURT: Uh-huh.

4 MS. CALVERT: -- I understand --

5 THE COURT: Okay.

6 MS. CALVERT: -- and I -- I do know.

7 THE COURT: All right.

8 MS. CALVERT: I agree.

9 THE COURT: All right. Mr. Hall, do you have any
10 additional questions?

11 MR. HALL: No, Your Honor.

12 THE COURT: Now Ms. Calvert, do you have any
13 questions before I take your guilty plea?

14 MS. CALVERT: No, Your Honor.

15 THE COURT: Is there anything that has occurred here
16 today you do not understand?

17 MS. CALVERT: No, Your Honor.

18 THE COURT: Mr. Hall?

19 MR. HALL: Your Honor, I -- I just -- Ms. Calvert's
20 voice tapers off. Throughout her claim -- she's not standing
21 at the microphone. Now I just thought perhaps it might be
22 helpful to confirm that what she has just said to Your Honor is
23 that she acknowledges that she understood that her husband was
24 artificially inflating their expenses to reduce her tax
25 liability -- their joint tax liability.

Calvert - Plea

Page 31

1 THE COURT: All right. That -- is that correct?

2 MS. CALVERT: I agree, Your Honor.

3 THE COURT: Yeah, all right. Now knowing everything
4 that has been said about the rights you're giving up by
5 pleading guilty, and the possible consequences to you, is it
6 still your desire to plead guilty to this charge?

7 MS. CALVERT: Yes.

8 THE COURT: All right. Then the Court finds the
9 defendant is competent to plea. The plea is free and
10 voluntary, and not the result of any force or threats, or any
11 promises apart from the plea agreement disclosed on the record.
12 That there's a factual basis for the plea of guilty. The
13 defendant understands the charge, her legal rights, the maximum
14 possible penalties, and the defendant understands by pleading
15 guilty she is waiving her right to a trial. The guilty plea
16 agreement is admitted into evidence as part of the record, and
17 the Deputy will take the plea of count one of the information.

18 DEPUTY: Carol Calvert, you're charged with
19 Information number 03-332, charging you with one count of
20 aiding in the presentation of false tax returns. Now how say
21 you to count one, guilty or not guilty?

22 MS. CALVERT: Guilty.

23 THE COURT: All right. Then the Court accepts the
24 plea of guilty, and the defendant is hereby adjudged guilty of
25 the offense set forth in count one of the information. Now,

Colloquy

Page 32

1 Ms. Calvert, a written presentence report will be prepared by
2 the probation department. You'll be asked to supply
3 information for that report. You have the right to have your
4 attorney present while you do so. You have the right to read
5 the report before the sentencing hearing, and you have the
6 right to be heard at the sentencing hearing with reference to
7 the contents of the report if you disagree with them.

8 The probation officer is seated over here, and I'm
9 not sure which one is for your -- okay. Oh, you're pretrial
10 services, that's right, --

11 SPEAKER: Yes.

12 THE COURT: -- it's information. And you should make
13 arrangements with him before you leave the courtroom as to when
14 you're going to supply that information. Now with reference to
15 her bail situation, does she have any prior record, Mr. Hall?

16 MR. HALL: No, Your Honor.

17 THE COURT: Okay. Mr. Santaguida, tell me about
18 community contacts.

19 MR. SANTAGUIDA: Judge, she's a lifetime resident of
20 the Eastern District and it would be -- you know, this matter's
21 been lingering, lingering, and lingering, so there's no reason
22 she won't appear --

23 THE COURT: Uh-huh. Does she have family here?

24 MR. SANTAGUIDA: She has family here.

25 MS. CALVERT: Entire family --

Colloquy

Page 33

1 THE COURT: Uh-huh.

2 MR. SANTAGUIDA: I'm asking for a nominal bail. The
3 Government's agreed.

4 THE COURT: Uh-huh. All right. Mr. Hall?

5 MR. HALL: Your Honor, the Government agrees with the
6 pretrial services recommendation of an OR bond.

7 THE COURT: Uh-huh. Was it \$10,000?

8 SPEAKER: Yes, Your Honor.

9 THE COURT: Okay. All right, thank you. All right
10 then, the Court finds by clear and convincing evidence that the
11 defendant is not likely to flee or fail to appear for
12 sentencing, and that she does not pose a danger to any person
13 or to the community. She's placed then on \$10,000 OR bond,
14 with the conditions that have been suggested by pretrial
15 services.

16 Now I want to advise you, Ms. Calvert, that you must
17 appear for sentencing and all other court dates, or that is a
18 separate criminal offense for which you can be prosecuted and
19 placed in jail for ten years, and fined up to \$250,000.

20 MR. SANTAGUIDA: Judge, usual -- the usual conditions
21 of the bail are that the person's confined to the Eastern
22 District, and her family has a summer home in South Jersey.
23 Would she be allowed to travel there?

24 THE COURT: Uh-huh. Yes.

25 MR. SANTAGUIDA: Thank you.

Colloquy

Page 34

1 THE COURT: Yeah. Well you can add that to the
2 conditions. The Eastern District or -- and -- and New Jersey.

3 SPEAKER: Your Honor, I had recommended just 10,000 OR
4 with no conditions.

5 THE COURT: No conditions at all.

6 SPEAKER: Because she's being -- she's -- all her
7 family's here --

8 THE COURT: All right.

9 MR. SANTAGUIDA: Yeah, no conditions.

10 THE COURT: If there are no conditions at all, then
11 that makes it easy. All right, thank you.

12 MR. SANTAGUIDA: Thank you.

13 THE COURT: Now the sentencing date will be September
14 the 17th at three p.m. in this courtroom.

15 MR. SANTAGUIDA: Thank you, Judge.

16 MS. CALVERT: Thank you.

17 THE COURT: Thank you. I'll see you then.

18 MR. HALL: Thank you, Your Honor.

19 *****

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25

C E R T I F I C A T I O N

I, Karen O'Malley, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.


KAREN O'MALLEY
DIANA DOMAN TRANSCRIBING

Date: 10/27/03

COMMITTEE APPENDIX

Tab 6



ALLEGHENY
HEALTH, EDUCATION AND
RESEARCH FOUNDATION

MESSAGE FROM THE CHAIR OF THE BOARD

W.P. Snyder III

Chair, Board of Trustees

*Allegheny Health, Education
and Research Foundation*

Aug. 27, 1998

The attached media release details an important issue we have reviewed and acted upon recently.

In our desire to be open and candid with our employees regarding issues involving our organization, we are providing you with this information prior to it being portrayed in the media.

We will supply you with further information on this matter should the need arise.

William P. Snyder III

DC 2587

A-8.B.4.c

NEWS



ALLEGHENY
HEALTH, EDUCATION AND
RESEARCH FOUNDATION

RELEASE: IMMEDIATELY

Contact: Tom Chakurda
(412) 359-6896

AHERF DETERMINES THAT LOAN PAYMENTS MAY HAVE BEEN PREFERENTIAL

Allegheny Health, Education and Research Foundation (AHERF) today announced that preferential payments may have been made on loans related to an Executive Benefit Program.

In March 1998, AHERF established a key employee stock options plan (KESOP) for the benefit of its former President and CEO Sherif S. Abdelhak; former Chief Financial Officer, David McConnell; and other executives, including Executive Vice President and Chief Human Resources Officer Dwight Kasperbauer; Executive Vice President and General Counsel Nancy A. Wynstra; Anthony M. Sanzo, who was then serving as President and Chief Executive Officer of Allegheny General and Allegheny University Hospitals, West; and Donald Kaye, M.D., former President and Chief Executive Officer of Allegheny University Hospitals, East.

The KESOP Plan, a combined savings and incentive benefit, was funded through the transfer of previously existing deferred compensation amounts.

As an added benefit, AHERF had also established for this same group of executives a loan program whereby the individual could secure loans from PNC Bank. AHERF was jointly liable on these loans with the individual executive. Five of the six eligible participants elected to secure loans under the program.

Following the departure of Abdelhak and McConnell from the AHERF organization, PNC in July 1998 demanded payment on the loans to those particular individuals.

Given the potential liability to AHERF of having to repay approximately \$8 million in outstanding loans made to the entire group of executives, the Board of Trustees' Compensation Committee, upon the advice of legal counsel, authorized the use of the KESOP funds for repayment.

AHERF has determined that these repayments may have been preferential as to both the participants and the lender.

In addition, AHERF's review has revealed that approximately \$400,000 used to fund the KESOP for these executives came from monies in which the individuals did not have a fully matured interest.

DC 2588

COMMITTEE APPENDIX

Tab 7

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

**THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF
ALLEGHENY HEALTH, EDUCATION &
RESEARCH FOUNDATION,**

Plaintiff,

v.

PRICEWATERHOUSECOOPERS, LLP.,

Defendant.

Civil Action No. 00-684

DECLARATION OF JOHN G. UNICE

I, JOHN G. UNICE, declare:

1. I am an attorney with the firm of Jones Day, counsel for Plaintiff The Official Committee of Unsecured Creditors of AHERF (the "Committee"). I make this declaration in Support of the Committee's Opposition to PwC's Motion for Summary Judgment.

2. The documents attached at Tab 5 of the Appendix in Support of the Committee's Opposition ("Com. Appdx.") are true and correct copies of documents obtained from the United States District Court for the Eastern District of Pennsylvania, which documents were filed and/or part of the record in a criminal matter brought by the United States Attorney against Carol Calvert, a former AHERF employee.

3. The documents attached at Tab 8 of of the Com. Appdx. are true and correct copies of documents obtained from the Court of Common Pleas of Allegheny County, Pennsylvania, which documents were filed and/or part of the record in a criminal matter brought by the Pennsylvania Attorney General against former AHERF employees Sherif Abdelhak, David McConnell, and Nancy Wynstra.


4. The documents attached at Tabs 24 and 25 of the Com. Appdx. are true and correct copies of documents produced by the law firm of Titus and McConomy to the United States Attorney during that office's investigation related to AHERF. The documents were also produced to a central document repository located at the firm of McGuire Woods, 625 Liberty Avenue, Suite 2300, Pittsburgh, PA 15222, and have been available to the parties since in or about 2001.

5. The documents attached at Tab 27 of the Com. Appdx. are true and correct copies of documents made available for the parties' review by the law firm of Foley and Lardner in or about November 2002, in response to a subpoena served by PwC in this matter.

6. The documents attached at Tabs 31 and 32 of the Com. Appdx. are true and correct copies of documents produced by defendant PwC in this action. These documents constitute workpapers and other documents relating to the audits and other professional services provided to the AHERF entities during fiscal-year 1997.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and accurate.

July 11, 2005



COMMITTEE APPENDIX

Tab 8

3/15/2000 Grand Jury Indictment

5/10/2001 Opinion of Robert E. Dauer, Sr. J.

8/29/2002 Guilty Plea -- Explanation of Defendant's Rights



COUNTY OF:

CRIMINAL COMPLAINT

Magisterial District Number: 05-2-28

District Justice Name: HON. OSCAR PETITE, JR.

Address: 912 Fifth Avenue
Pittsburgh, PA 15219

Telephone: (412) 261-2660

COMMONWEALTH OF PENNSYLVANIA

VS:

DEFENDANT: SHERIF ABDELHAK
529 Pine Road
Sewickley, PA 15143

Docket No.:

Date Filled:

OTN:

Defendant's Race/Ethnicity <input type="checkbox"/> White <input type="checkbox"/> Asian <input type="checkbox"/> Black <input type="checkbox"/> Hispanic <input type="checkbox"/> Native American <input checked="" type="checkbox"/> Unknown	Defendant's Sex <input type="checkbox"/> Female <input checked="" type="checkbox"/> Male	Defendant's D.O.B. 03/14/1946	Defendant's Social Security # 202-46-0695	Defendant's SID
Defendant's A.K.A.	Defendant's Vehicle Information: Plate Number State	Registration Sticker (MM/YY)	Defendant's Driver's License Number State	
Complaint/Incident Number 21-790	Complaint/Incident Numbers if other Participants 21-790			UCR/NIBRS Code

District Attorney's Office ☐ Approved ☐ Disapproved because: _____
(The district attorney may require that the complaint, arrest warrant affidavit, or both be approved by the attorney for the Commonwealth prior to filing.
Pa.R.Cr.P.107.)

(Name of Attorney for Commonwealth - Please Print or Type)

(Signature of Attorney for Commonwealth)

(Date)

We, Special Agents Joseph Lawlor and William Wells (724) 832-5418

59 & 156

(Name of Affiant - Please Print or Type)

(Officer Badge Number/I.D.)

of PA Office of Attorney General - BCL 2910 Seminary Drive, Greensburg, PA PA065015A

21-790

(Identify Department or Agency Represented and Political Subdivision)

(Policy Agency ORI Number)

(Originating Agency Case Number (OCA))

do hereby state: (check the appropriate box)

1. ☒ We accuse the above named defendant who lives at the address set forth above☐ I accuse the defendant whose name is unknown to me but who is described as _____☐ I accuse the defendant whose name and popular designation or nickname is unknown to me and whom I have therefore designated as John Doewith violating the penal laws of the Commonwealth of Pennsylvania at Pittsburgh, PA

(Place-Political Subdivision)

in Allegheny County on or about March 1996 to July 1998

Participants were: (if there were participants, place their names here, repeating the name of above defendant)

Sherif Abdelhak, Nancy A. Wynstra and David McConnell

2. The acts committed by the accused were:

(Set forth a summary of the facts sufficient to advise the defendant of the nature of the offense charged. A citation to the statute allegedly violated, without more, is not sufficient. In a summary case, you must cite the specific section and subsection of the statute or ordinance allegedly violated.)



POLICE

CRIMINAL COMPLAINT

Defendant's Name: Sherif Abdelhak

Docket Number:

COUNT 1

THEFT BY FAILURE TO MAKE
REQUIRED DISPOSITION OF FUNDS18 PA C.S. §3927(a)
3rd Degree Felony

On or about February 11, 1998, through and including July 2, 1998, the Actor, Sherif Abdelhak, obtained property, namely, approximately \$52,442,975.00, which was diverted from various trust accounts into the General Operating Account of Allegheny Health, Education and Research Foundation (AHERF), these monies belonging to AHERF, upon agreement or subject to the known legal obligation to make specified payments or other disposition of the property or its proceeds, and said Actor intentionally dealt with the property so obtained as his own and failed to make the required disposition or payment, in violation of the PA Crimes Code, Act of December 6, 1972, 18 PA C.S. §3927(a).

COUNT 2

MISAPPLICATION OF ENTRUSTED PROPERTY

18 PA C.S. §4113(a)
2nd Degree Misdemeanor

On or about February 11, 1998, through and including July 2, 1998, the Actor, Sherif Abdelhak applied or disposed of property, namely, approximately \$52,442,975.00, that had been entrusted to him as a fiduciary, in a manner which he knew was unlawful and involved substantial risk of loss or detriment to Allegheny Health, Education & Research Foundation (AHERF), the owner of the property or the person for whose benefit the property was entrusted, all of which is in violation of the PA Crimes Code, Act of December 6, 1972, 18 Pa. C.S. §4113(a).

COUNT 3

CRIMINAL CONSPIRACY

18 Pa. C.S. §903(a)(1)
3rd Degree Felony

On or about February 11, 1998 through and including July 2, 1998, the Actor, Sherif Abdelhak, with the intent of promoting or facilitating the crimes of Theft by Failure to Make Required Disposition of Funds and Misapplication of Entrusted Property, conspired or agreed with others, namely, David McConnell and/or Nancy Wynstra, that they, or one or more of them, would engage in conduct constituting such crimes, and in furtherance thereof, did commit the overt acts, namely Sherif Abdelhak authored a memorandum directing \$70 million be diverted from various endowment accounts to the General Operating Account and approximately \$52,422,975, of this money was utilized by Actors Sherif Abdelhak, David McConnell, and/or Nancy Wynstra, to pay Allegheny Health, Education and Research Foundation's (AHERF) accounts payable, satisfy payroll needs, and fund various wire transfers relating to the operations of AHERF, knowing the diversion of this money was illegal and in direct disregard of the intent for which the endowments were established, in violation of Section 903(a)(1) of the PA Crimes Code, Act of December 6, 1972, 18 Pa. C.S. §903(a)(1).

On or about February 28, 1998, the Actor, Sherif Abdelhak, unlawfully took or exercised unlawful control of property, namely \$50,000 given to Quaker Valley School District, that money belonging to another, namely Allegheny Health, Education and Research Foundation (AHERF), with the intent to deprive the owner thereof, in violation of 3921(a) of the Pennsylvania Crimes Code, Act of December 6, 1979, 18 Pa. C.S. §3921(a).

COUNT 5

VIOLATION OF PA
ELECTION CODE25 P.S. §3253(a)
3rd Degree Misdemeanor

On or about August 22, 1997 through and including June 26, 1998, the Actor, Sherif Abdelhak, unlawfully made or directed to be made, a contribution or expenditure, namely, approximately \$100,000 in monies belonging to Allegheny Health, Education and Research Foundation (AHERF), in connection with the election of any candidate or for any political purpose whatever, except in connection with any question to be voted on by the electors of this Commonwealth, namely, the Actor, Sherif Abdelhak authorized a \$60,000 net salary increase for Curtis B. Copeland, an employee of AHERF, and a \$40,000 net salary increase for Joan Chrestay, an employee of AHERF, knowing this money would be used to illegally funnel AHERF money to various political candidates as campaign contributions, all of which is in violation of Section 3253(a) of the PA Statutes and Consolidated Statutes, Act of 1996, 25 P.S. §3253(a).

COUNT 6

CRIMINAL CONSPIRACY

18 Pa. C.S. §903(a)(1)
3rd Degree Misdemeanor

On or about March 26, 1996 through and including June 26, 1998, the Actor, Sherif Abdelhak, with the intent of promoting or facilitating the crime of Violation of the PA Election Code, the Actor, Sherif Abdelhak, conspired or agreed with others, namely, David McConnell, and/or Nancy A. Wynstra, and/or Curtis B. Copeland, and/or Joan Chrestay that they, or one or more of them, would engage in conduct constituting such crimes, and in furtherance thereof, did commit the overt acts, namely, Sherif Abdelhak, as Chief Executive Officer for Allegheny Health, Education and Research Foundation (AHERF), Nancy A. Wynstra, as General Counsel to AHERF, and David McConnell, as Chief Financial Officer of AHERF, directed and/or authorized AHERF lobbyist and employee, Curtis B. Copeland's \$60,000 net salary increase and AHERF lobbyist and employee, Joan Chrestay's \$40,000 net salary increase, and that Nancy Wynstra and David McConnell each received \$50,000 in 1996 and another \$50,000 each in 1997, to be utilized for the illegally funneling of AHERF's money to various political candidates as campaign contributions, knowing that the use of AHERF money for campaign contributions was illegal, in violation of Section 903(a)(1) of the PA Crimes Code, Act of December 6, 1972, 18

all of which were against the peace and dignity of the Commonwealth of Pennsylvania and contrary to the Act of Assembly, or in violation of

- | | | | | |
|----|--------------------------|-------------------------------|-----------------------------------|----------------------|
| 1. | <u>3927</u>
(Section) | <u>(a)</u>
(Subsection) | of the <u>PCC</u>
(PA Statute) | <u>1</u>
(counts) |
| 2. | <u>4113</u>
(Section) | <u>(a)</u>
(Subsection) | of the <u>PCC</u>
(PA Statute) | <u>1</u>
(counts) |
| 3. | <u>903</u>
(Section) | <u>(a)(1)</u>
(Subsection) | of the <u>PCC</u>
(PA Statute) | <u>2</u>
(counts) |
| 4. | <u>3921</u>
(Section) | <u>(a)</u>
(Subsection) | of the <u>PCC</u>
(PA Statute) | <u>1</u>
(counts) |
| 5. | <u>3253</u>
(Section) | <u>(a)</u>
(Subsection) | of the <u>PEC</u>
(PA Statute) | <u>1</u>
(counts) |

3. I ask that a warrant of arrest or a summons be issued and that the defendant be required to answer the charges I have made. (In order for a warrant of arrest to issue, the attached affidavit of probable cause must be completed and sworn to before the issuing authority.)
4. I verify that the facts set forth in this complaint are true and correct to the best of my knowledge or information and belief. This verification is made subject to the penalties of Section 4904 of the Crimes Code (18 PA.C.S. § 4904) relating to unsworn falsification to authorities.

_____, 19__

(Signature of Affiant)

AND NOW, on this date _____, 19__, I certify that the complaint has been properly completed and verified. An affidavit of probable cause must be completed in order for a warrant to issue.

(Magisterial District)
AOPC 412-(6/96)

(Issuing Authority)

SEAL

POLICE

CRIMINAL COMPLAINT



Defendant's Name: Sherif Abdelhak

Docket Number:

AFFIDAVIT of PROBABLE CAUSE

(SEE ATTACHED PRESENTMENT)

I, _____, BEING DULY SWORN ACCORDING TO LAW, DEPOSE AND SAY
THAT THE FACTS SET FORTH IN THE FOREGOING AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST
OF MY KNOWLEDGE, INFORMATION AND BELIEF.

(Signature of Affiant)

Sworn to me and subscribed before me this _____ day of _____, 19 ____.

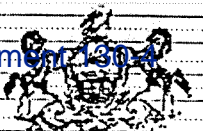
Date

District Justice

My commission expires first Monday of January, _____.

SEAL

COUNTY OF:

POLICE
CRIMINAL COMPLAINT

Magisterial District Number: 05-2-28

District Justice Name: HON. OSCAR PETITE, JR.

Address: 912 Fifth Avenue
Pittsburgh, PA 15219

Telephone: (412) 261-2660

COMMONWEALTH OF PENNSYLVANIA

VS:

DEFENDANT: DAVID McCONNELL
101 Lantern Circle
McMurray, PA 15317

Docket No.:

Date Filled:

OTN:

Defendant's Race/Ethnicity <input checked="" type="checkbox"/> White <input type="checkbox"/> Asian <input type="checkbox"/> Black <input type="checkbox"/> Hispanic <input type="checkbox"/> Native American <input type="checkbox"/> Unknown	Defendant's Sex <input type="checkbox"/> Female <input checked="" type="checkbox"/> Male	Defendant's D.O.B. 01/31/55	Defendant's Social Security # 209-44-5955	Defendant's SID
Defendant's A.K.A.	Defendant's Vehicle Information: Plate Number State	Registration Sticker (MM/YY)	Defendant's Driver's License Number State	
Complaint/Incident Number 21-790	Complaint/Incident Numbers if other Participants 21-790			UCR/NIBRS Code

District Attorney's Office ☐ Approved ☐ Disapproved because: _____
 (The district attorney may require that the complaint, arrest warrant affidavit, or both be approved by the attorney for the Commonwealth prior to filing.
 Pa.R.Cr.P.107.)

(Name of Attorney for Commonwealth - Please Print or Type)

(Signature of Attorney for Commonwealth)

(Date)

We, Special Agents Joseph Lawlor and William Wells (724) 832-5418

(Name of Affiant - Please Print or Type)

59 & 156

(Officer Badge Number/I.D.)

of PA Office of Attorney General - BCI, 2910 Seminary Drive, Greensburg, PA PA065015A

Number) (Originating Agency Case Number (OCA))

21-790

do hereby state: (check the appropriate box)

1. ☒ We accuse the above named defendant who lives at the address set forth above☐ I accuse the defendant whose name is unknown to me but who is described as _____☐ I accuse the defendant whose name and popular designation or nickname is unknown to me and whom I have therefore designated as John Doewith violating the penal laws of the Commonwealth of Pennsylvania at Pittsburgh, PA
(Place-Political Subdivision)in Allegheny County on or about March, 1996 to July 1998

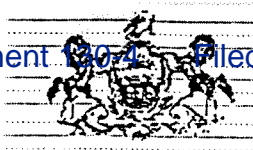
Participants were: (if there were participants, place their names here, repeating the name of above defendant)

Sherif Abdelhak, Nancy A. Wynstra and David McConnell

2. The acts committed by the accused were:

(Set forth a summary of the facts sufficient to advise the defendant of the nature of the offense charged. A citation to the statute allegedly violated, without more, is not sufficient. In a summary case, you must cite the specific section and subsection of the statute or ordinance allegedly violated.)

Defendant's Name: David McConnell
Docket Number:

**CRIMINAL COMPLAINT****COUNT 1****THEFT BY FAILURE TO MAKE
REQUIRED DISPOSITION OF
FUNDS****18 PA C.S. §3927(a)
3RD Degree Felony**

On or about February 11, 1998, through and including July 2, 1998, the Actor, David McConnell, obtained property, namely, approximately \$52,442,975.00, which was diverted from various trust accounts into the General Operating Account of Allegheny Health, Education and Research Foundation (AHERF), these monies belonging to AHERF, upon agreement or subject to the known legal obligation to make specified payments or other disposition of the property or its proceeds, and said Actor intentionally dealt with the property so obtained as his own and failed to make the required disposition or payment, in violation of the PA Crimes Code, Act of December 6, 1972, 18 PA C.S. §3927(a).

COUNT 2**MISAPPLICATION OF ENTRUSTED
PROPERTY****18 PA C.S. §4113(a)
2ND Degree Misdemeanor**

On or about February 11, 1998, through and including July 2, 1998, the Actor, David McConnell applied or disposed of property, namely, approximately \$52,442,975.00, that had been entrusted to him as a fiduciary, in a manner which he knew was unlawful and involved substantial risk of loss or detriment to Allegheny Health, Education & Research Foundation (AHERF), the owner of the property or the person for whose benefit the property was entrusted, all of which is in violation of the PA Crimes Code, Act of December 6, 1972, 18 Pa. C.S. §4113(a).

COUNT 3**CRIMINAL CONSPIRACY****18 Pa. C.S. §903(a)(1)
3RD Degree Felony**

On or about February 11, 1998 through and including July 2, 1998, the Actor, David McConnell, with the intent of promoting or facilitating the crimes of Theft by Failure to Make Required Disposition of Funds and Misapplication of Entrusted Property, conspired or agreed with others, namely, Sherif Abdelhak and/or Nancy Wynstra, that they, or one or more of them, would engage in conduct constituting such crimes, and in furtherance thereof, did commit the overt acts, namely Sherif Abdelhak authored a memorandum directing \$70 million be diverted from various endowment accounts to the General Operating Account and approximately \$52,422,975, of this money was utilized by Actors Sherif Abdelhak, David McConnell, and/or Nancy Wynstra, to pay Allegheny Health, Education and Research Foundation's (AHERF) accounts payable, satisfy payroll needs, and fund various wire transfers relating to the operations of AHERF, knowing the diversion of this money was illegal and in direct disregard of the intent for which the endowments were established, in violation of Section 903(a)(1) of the PA Crimes Code, Act of December 6, 1972, 18 Pa. C.S. §903(a)(1).